ED 016 039 VT 001 243

A PILOT PROJECT IN PROGRAMMED LEARNING TO EXTEND THE PURPOSES AND INCREASE FACTORS OF MOTIVATION.

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REPORT NUMBER UM-ORA PROJ-05692 PUB DATE OCT 63
MICHIGAN ST. BOARD OF CONTROL FOR VOCATIONAL EDUC.
EDRS PRICE MF-$0.50 HC-$3.68 90P.

DESCRIPTORS- *PROGRAMED INSTRUCTION, *STUDENT MOTIVATION, *MOTIVATION TECHNIQUES, OFFICE OCCUPATIONS EDUCATION, INSTRUCTIONAL IMPROVEMENT, PILOT PROJECTS, EXPERIMENTAL GROUPS, ACHIEVEMENT TESTS, CREDITS, *BUSINESS CORRESPONDENCE, DISTRIBUTIVE EDUCATION, COOPERATIVE EDUCATION, COMPARATIVE ANALYSIS, DETROIT,

THE 5-MONTH STUDY DEALT WITH THE APPLICATION OF THREE DIFFERENT PROGRAMED INSTRUCTIONAL LESSONS GIVEN IN COMBINATIONS TO FIVE DIFFERENT GROUPS OF 41 PUPILS EACH, SELECTED AT RANDOM FROM THE COOPERATIVE, DISTRIBUTIVE, AND OFFICE OCCUPATIONS STUDENTS AT THE HIGH SCHOOL OF COMMERCE IN DETROIT. THE STUDY TESTED MEANS OF IMPROVING PROGRAMED INSTRUCTION BY ADDING MOTIVATION MATERIALS TO INCREASE THE DESIRE TO LEARN, AND BY UTILIZING TECHNIQUES FOR LEARNING THAT WOULD TRANSFER TO SIMILAR LEARNING SITUATIONS. THE TECHNICAL BUSINESS VOCABULARY NEEDED BY COOPERATIVE WORK-STUDY TRAINEES WAS THE SUBJECT MATTER USED. PROGRAM A CONSISTED OF TWO PROGRAMED LESSONS TO TEACH THE TECHNICAL VOCABULARY RELATED TO THE COMMERCIAL LETTER OF CREDIT. PROGRAM B WAS SIMILAR TO A EXCEPT THAT TECHNIQUES OF PERSUASION UTILIZED IN THE FIELD OF ADVERTISING WERE INSERTED IN THE FIRST LESSON AND INCENTIVES IN THE FORM OF STORIES USING REALISTIC SITUATIONS WERE INSERTED IN THE SECOND. PROGRAM C HAD ONE LESSON ON HOW TO LEARN TECHNICAL VOCABULARY AND A SECOND ON APPLYING THE HOW-TO-LEARN TECHNIQUE. A 25-ITEM MULTIPLE CHOICE TEST WAS USED FOR PRE-, IMMEDIATE POST, AND RETENTION TESTING. ALTHOUGH LEARNING DID RESULT, THERE WERE NO SIGNIFICANT DIFFERENCES BETWEEN OR WITHIN TREATMENT GROUPS AS TO THE AMOUNT OF LEARNING OR RETENTION WHICH OCCURRED. PROBLEMS TO BE CONSIDERED IN AN EXTENDED STUDY ARE LISTED. THE PROGRAMED LESSONS ON THE "COMMERCIAL LETTER OF CREDIT" USED IN THE STUDY ARE INCLUDED IN THE APPENDIX. (PS)

ED016039

05692-1-F

THE UNIVERSITY OF MICHIGAN

SCHOOL OF EDUCATION

A Pilot Project in Programmed Learning

To Extend the Purposes and Increase Factors of Motivation

Principal Investigators:

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VT001243

The University of Michigan
in Cooperation With
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Administered through:

October 1963

OFFICE OF RESEARCH ADMINISTRATION • ANN ARBOR

THE UNIVERSITY OF MICHIGAN

SCHOOL OF EDUCATION

U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
OFFICE OF EDUCATION

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FOREWORD

The direct costs for the pilot study herein reported were underwritten by the Michigan State Board of Control for Vocational Education. Principal investigators, cooperating agencies, and costs are detailed in Appendix F.

This pilot study in programmed instruction has been of primary importance as an initial step in the preparation of an extended study. Several other values have also accrued: (1) the sharpening of the research tools of the principal investigators; (2) the involvement of cooperative work-study students and other educational agencies; (3) the availability of programmed instruction and a demonstration of its use for all coordinators in the State of Michigan.

Only through the funding from the Michigan State Board of Control for Vocational Education could even this limited pilot study with its benefits have been accomplished.

SUMMARY

The pilot project dealt with the application of three different programmed instructional lessons applied in combinations to five different treatment groups of 41 pupils each. Pupils were placed in treatment groups at random from 205 cooperative work-study pupils enrolled at the High School of Commerce in Detroit.

The experimental innovations used in linear-type parallel programmed instructional lessons were the inclusion of motivational materials other than normal feedback and techniques of learning technical vocabulary that could be transfered beyond the limits of the program.

The pilot study did not yield statistically significant results. Yet, as the study proposed to do, the limited experimentation has defined more precisely the questions needed to be answered and does provide direction for further research.

A PILOT PROJECT IN PROGRAMMED LEARNING

1. INTRODUCTION

The reason for the pilot experiment was to adapt and to extend the purposes of the tool of programmed instruction for use by students in cooperative business occupations programs. In the study, clues to testing the following innovations were sought:

(1). The insertion of motivational materials, other than the normal feedback, designed to move in a positive direction the affective desire of pupils to attain the purposes of the program. The search, thus, is for "hidden persuaders" to increase the desire to learn.

(2). The inclusion in the purposes of programmed instruction techniques of learning the specific subject matter in such a way that techniques for learning would be transferable to other similar learning situations.

The pilot project, a five-month study, was designed as a preliminary step toward the preparation of an extended proposal to be submitted to appropriate funding agencies.

The need for individualized tools of instruction in cooperative work-study programs is the first reason for the importance of the experiment. Coordinators and teachers of related subjects need to become familiar with the selection, the preparation, and the use of programmed instruction for cooperative work-study classes. Teachers must have materials and techniques to meet the needs of a wide range of interests and abilities that are par for the usual work-study class. The pilot investigation serves as a demonstration in the preparation and use of such materials for coordinators. Copies of the programs are now available, upon request, for Michigan coordinators.

The value of the pilot study is, however, more than that of a demonstration. The innovations tested on a pilot basis and later to be tested in a more extended way promise to contribute to our knowledge of purposes and motivation included in the programmed instruction tool. Thus, to maximize the value of programmed instruction the experiment was needed to see if purposes served by the tool can be extended. The tyranny of purposes currently used in preparing programmed instruction binds the student to the narrow confines of content presented. For example, if the purpose of the program is to teach

25 technical terms, learning, although it were 100 percent effective, usually ends with the acquisition of the 25 terms. The wherewithal and the desire to learn additional technical terms beyond the confines of the program becomes a happenstance rather than the purposeful intent of the program. The pilot study permitted us to explore the extension of purposes of the program to methods of learning and the addition of motivational materials other than normal feedback to help pupils want to learn.

The technical vocabulary of business appeared to be a fruitful area for testing the innovations. The teaching of technical terminology of business has proven to be an embarrassment to the business teacher. This embarrassment stems from the demonstrated conclusions that students' knowledge of technical business terms is more closely related to intelligence and age than to any other factors(5)*. In other words, to the extent that understanding of technical vocabulary is an important need of the business worker, the potential employer is more likely to find this understanding in applicants not by considering the number and types of business courses taken, but by selecting on the basis of age and intelligence factors.

Furthermore, the ability and desire of workers to learn new technical vocabulary, once on the job, correspond to these factors. To cooperating employers of work-study pupils who participate year after year with new and inexperienced employees, the need for early acquisition of basic technical vocabulary and of methods of expanding it is even more pressing than with other empolyers. They are constantly faced with a type of immature employee who is unable to communicate in the technical language of their field.

Therefore, the pilot study is a first step to obtain clues for extending purposes and motivation of the tool of programmed instruction. Technical business vocabulary as needed by cooperative work-study trainees is the medium used for this preliminary testing of the innovations.

2. INSTRUCTIONAL LESSONS

Three parallel programs of two lessons each were developed for testing in the pilot study (Appendixes A, B, and C):

Program A. A two-lesson linear-type program containing 143 frames in which the purpose was to learn the technical vocabulary related to the commercial letter of credit.

Program B. A two-lesson, 139-frame, linear-type program different from A in that techniques of persuasion utilized in the field of advertising were inserted in Lesson 1, and situational incentives related to developmental tasks of youth wereinserted in Lesson 2. The purpose was to add motivation beyond the normal feedback.

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*Numbers refer to items in the selected bibliography.

Program C. A one-lesson, 53-frame, linear-type program on how to learn technical vocabulary; and a second lesson as a textbook-dictionary application following the how-to-learn technique of Lesson 1.

In the preparation of Program B, the programmer was not particularly successful in isolating and thus inserting discrete motivational factors to be tested. The literature in advertising and in persuasion lacks a precision that would permit borrowing a recipe-like insertion of factors. Yet, from the generalizations of substance that are available in this literature, the following devices common to the field of advertising were used in preparing Lesson 1:

(1). Single-and multiple-color combinations in copy and illustrations.

(2). Text with drawings to illustrate the point of the content.

(3). Humor through the use of cartoons and illustrations.

(4). Variety in page layout accomplished through illustrations, size of type, word arrangements and placement on pages.

In preparing Lesson 2 of Program B, the programmer omitted the advertising techniques used in Lesson 1. Instead, situations in which the intended learner could identify himself were prepared. Based on Havighurst's(4) generalized developmental tasks of youth, situations were used that were thought to be appropriate to the teen-age youth who needs to become an adult in an adult world; an economically responsible and independent individual who seeks a partner to start a new family unit. Again, as will be seen in Lesson 2, the programmer did not insert discrete factors to be tested. To do so would have been at the expense of the continuity and interest required in the total lesson.

In consequence, the reader must judge for himself the success of the programmer in incorporating the experimental factors and these alone in Lessons 1 and 2 of Program B.

A different problem was faced in the preparation of Program C, which dealt with a technique for learning technical vocabulary. Yet, effective methods have been demonstrated and reported; and the method selected in Lesson 1 of Program C is generalized from these(5 and 7).

A major problem of preparation of Programs A, B, and C is unique to the limited scope of the present pilot program. At least four-fifths of the time (and thus the cost) of the total project was used to prepare the three forms of the program. Writing, testing, revision, and collaboration among programmers to provide parallelism in programs was time-consuming. In the extended project to be prepared, adequate cost and time for program preparation and pre-testing must be allowed.

3. CRITERION MEASURES

a. Achievement Test

To check the learning involved in the letter of credit, a 25-item multiple-choice test was developed (Appendix D).

Part of the problem of the pilot study was to analyze such a device as a type of criterion measure for the extended study. To accomplish this, each item was analyzed according to the correct responses made by the upper and lower thirds of the experimental subjects (Appendix G). As a result of this analysis, the following observations are pertinent to casting criterion measures for the extended project:

(1). The discrimination of test items should be checked prior to their use.

(2). Some measure of gain scores as a ratio of amount learned to amount that could be learned by an experimental subject should be devised.

(3). Some measure other than achievement is indicated for checking transfer of techniques of learning beyond the confines of the program.

b. Preference Check Sheet

A 25-item Preference Check Sheet (Appendix E) was developed to deduce attitudes of the different treatment groups toward the program to which they were exposed. To check the reliability of responses, the attitude scale was administered immediately following the application of the program and again two weeks later. There were no observable differences between the two administrations.

4. EXPERIMENTAL PLAN

Arrangements were made through the Research and the Business Education Divisions of the Detroit Public Schools to conduct the pilot experiment in the High School of Commerce.

The administration of the experiment was scheduled as follows:

(1). Pre-test (Appendix D) administration of the achievement test.

(2). Two weeks later, administration of:
   a. Programs A, B, and C to five groups. The five groups required completion times for the various treatments of 20 to 90 minutes.

   b. Achievement test given as an immediate post-test (Appendix D).

   c. Preference Check Sheet (Appendix E).

(3). Two weeks after step two, administration of:
   a. Achievement test given as a retention test (Appendix D).

   b. Preference Check Sheet (Appendix E).

5. TREATMENT GROUPS

Five treatment groups of 41 subjects each were selected at random from among 205 of the cooperative distributive and office occupations pupils at the High School of Commerce. The treatment groups were exposed to each of the two lessons of the three parallel programs as shown in Table I.

TABLE I

COMBINATION OF EXPERIMENTAL LESSONS AS APPLIED TO TREATMENT GROUPS

Treatment Group	Program and Lesson	
	Lesson 1	Lesson 2
1*	A	A
2	B	A
3	A	B
4	B	B
5	C	C

*To be read: Treatment Group 1 was given Lesson 1 and Lesson 2 of Program A.

6. VARIANCE AMONG TREATMENT GROUPS

The mean standard scores for the Sequential Tests of Educational Progress and The School and College Aptitude Tests for each treatment group appear in Table II.

Analysis of variance among groups for mean standard scores provides F-Ratios (Table III) that are not significant at F .95, which would need to be 2.37. Thus, there are no significant differences observed between or among the treatment groups as based on these measures.

TABLE II

MEAN STANDARD SCORES OF SEQUENTIAL TESTS OF EDUCATIONAL PROGRESS AND SCHOOL AND COLLEGE APTITUDE TESTS BY TREATMENT GROUP

Treatment Group	Sequential Tests of Educational Progress				
	Mathematics	Science	Social Studies	Reading	Writing
I	269	272	272	291	284
II	270	273	275	293	285
III	269	271	273	292	287
IV	265	271	272	293	289
V	270	273	276	294	289
Total	269	272	273	293	287

Treatment Group	School and College Aptitude Tests		
	Verbal	Quantitative	Total
I	277	297	286
II	283	298	287
III	278	293	287
IV	277	298	286
V	280	300	289
Total	279	297	287

TABLE III

F-RATIOS* ANALYSIS OF VARIANCE OF SEQUENTIAL TESTS OF EDUCATIONAL PROGRESS (STEP) AND SCHOOL AND COLLEGE APTITUDE TESTS (SCAT)

Tests	F-Ratios
(STEP)	
Mathematics	1.12
Science	.40
Social Studies	1.59
Reading	.47
Writing	1.67
(SCAT)	
Verbal	.73
Quantitative	.27
Total	.59

*See Bibliography, Item 11.

7. FINDINGS

a. Achievement Test

The criterion test of achievement is a 25-item multiple-choice test of knowledge needed to understand the commercial letter of credit. The mean scores for each of the five treatment groups are summarized (Table IV) for the three different administrations of the test: pre-, immediate post, and retention.

That learning did result from the administration of all programs can be observed from the differences in mean scores of the pre-test and those of the other two. In each treatment group the application of the program accounted for average gains of six to seven additional correct answers, approximately one-fourth of the total learning tested, or one-half of the unknown content to be learned. Yet, each of the treatment groups failed to reach total learning as measured by the test by approximately the same number of questions, six to seven. The limited and single exposure to the applications may account for the latter fact. In other words, repeated exposure over a period of time would appear to be an important ingredient for learning technical vocabulary. An extended project should consider schedules and nature of the re-application needed to build and retain learning at a desired level of accomplishment.

TABLE IV

MEAN SCORES ON A CRITERION ACHIEVEMENT TEST BY TREATMENT GROUP AND TEST ADMINISTRATION

Treatment No.	N	N=205 Pre-Test	N=205 Post-Test	N=205 Retention Test
I	41	11.3	17.9	17.4
II	41	11.9	17.3	17.7
III	41	11.6	17.7	17.2
IV	41	11.0	16.8	16.7
V	41	12.0	18.9	18.5
TOTAL	205	11.6	17.7	17.5

In terms of retention, however, the differences observed in mean scores between the immediate post-test and retention test are slight. Thus, when retention is defined as here as two weeks of holding power, loss of learning is negligible.

Summary statistics for the three test administrations are shown in Table V. Since the obtained F-ratio for the post-test data was 2.25, there are no significant differences between or within post-test scores for the various treatment groups. This same conclusion can be drawn from the data for the pre-and retention tests.

TABLE V

SUMMARY STATISTICS OF CRITERION ACHIEVEMENT BY TEST ADMINISTRATION

Test	Number Subjects	Number Items	Mean Score	Standard Deviation	Reliability Coefficient	Analysis of Variance F-Ratio
Pre	205	25	11.5	2.8	.457	1.05
Post	205	25	17.7	3.4	.687	2.25
Retention	205	25	17.5	3.5	.717	1.49

b. Preference Check List

An analysis of the responses made on the Preference Check List (Appendix E) was completed for each treatment group.

Inspection of this analysis shows no significant differences in responses for the five treatment groups or between the two administrations. The similarity of the response distributions between the two administrations for each group seems to indicate reliability.

Preferences for the three kinds of items were as follows:

(1). Generalized information items. The students in all treatment groups indicated preferences for: programmed instruction more than textbook study; programmed instruction as much as classroom teaching; and studying alone more than with another.

(2). Preference for a certain kind of lesson. Students in each treatment group indicated a preference for Lesson I over Lesson II. However, the number of uncertain responses in each treatment group was large enough to change the results for each group so that no conclusion can be drawn. To speculate, it is possible that some boredom may have set in for some of the subjects, thus accounting for the favored Lesson I.

(3). Preferences influenced by programs used. The specific treatment used by the students did not appear to influence their preferences about any of the items pertaining to vocabulary-learning procedures.

8. CONCLUSIONS AND RECOMMENDATIONS

The results of the pilot study indicate no significant differences between or within treatment groups for the amount of learning or retention which occurs. The absence of significance in this limited study is of less importance to the further study of the problem than the refinements in design that are suggested from the tryout.

In an extended project, then, the formulation of the study should take into consideration the following problems suggested from the pilot study:

(1). Do the techniques of advertising contribute to learning? It is possible that the purpose of advertising is to attract attention and interest to advertising copy which may not of itself lead to added learning. The idea should be tested further.

(2). Format of Lesson I of Program B was reported to be confusing to students. Poor duplicating and packaging of the materials may have also added to the distraction of students. It is possible, then that these mechanical defects negated any added learning that may have been caused by the experimental factors. In an extended study, better control of the mechanical preparation should be exercised.

(3). Is it possible that the learning of techniques of learning that can be applied to more traditional subject material has a time advantage over usual programmed instruction? This question is pertinent since the "Learning to Learn Program" was only 37 percent of the length of the other two programs, thereby decreasing the required amount of reading and required less time to complete than the others.

(4). In view of the pilot study findings that the results on the criterion test were equal for all treatments, further investigation of techniques of learning would appear to be promising since any transfer on the part of pupils of learning technique would provide more than either of the other two programs.

(5). A problem of determining proper scheduling of review for pupils is inherent in further investigation. What amount and kind of review and at what frequency will insure mastery of the techniques of learning technical vocabulary? Only as the method is mastered, and retained, will it be available for transfer.

(6). In the further study of transfer of a generalized technique of learning to learn, attention must be given to techniques for measuring increased usage of the technique after program application. Yet, from a philosophical point of view, if an educated being is one who has learned how to learn, such purposes should be inserted in most programmed instruction regardless of the availability of measuring devices to judge its efficacy.

(7). It is questionable that future research of the experimental factors introduced in the pilot study should be of a comparative nature. In other words, extended research may have to be a demonstration of the efficacy of one or more promising techniques.

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APPENDIX A

LESSON I

How would you buy from or sell merchandise to a person living in another country? It's different from the way you would buy or sell merchandise with a person in your country. In what ways?

The purpose of the following two lessons is to help you answer this question. Lesson I reviews some facts about buying or selling in your own country (domestic trade and credit). Lesson II, however, considers ways of buying or selling in another country (foreign trade). We think you will enjoy learning about the Commercial Letter of Credit.

1. When John Grant, a student, pays cash for a sport coat at the Williams Shop for Men, he is getting merchandise in EXCHANGE for his m O N E Y.

Turn to page 2 to check the answer to item 1 and to begin item 2.

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13. If John Grant had charged the sport coat, the Williams Shop for Men would be assuming a R I S K.

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25. When payment is made by check, the bank is a third party in the exchange.

---

37. In order for the housewife to send a check with the order, she must have deposited money in a checking account at her bank.

---

49. Back to the panel for a final look. The final step (Step 4) in the diagram shows that the check, as a medium of exchange, is usually handled by at least two financial institutions called banks.

money	2. Generally, cash purchases involve an EXCHANGE of merchandise for MONEY. Turn to page 3 to check the answer to item 2 and to begin item 3.
RISK	14. The Williams Shop for Men, the seller, would naturally like to assume as little risk as possible.
third party	26. The three parties, (1) buyer, (2) seller, and (3) bank, use the check as a medium of exchang
bank	38. The housewife's bank serves as a third party.
banks	50. Since the panel shows the steps in the exchange of money and merchandise within the same country, it is an example of domestic trade.

money	3. As John Grant pays money for the sport coat, the trade of money for merchandise is an EXCHANGE.
risk	15. As mentioned earlier, John Grant paid cash for the coat. Thus, the seller assumed little if any risk.
medium of exchange	27. Cash received in exchange for merchandise involves little if any risk. But, a check received in exchange for merchandise involves more risk.
party	39. It is unlikely that the buyer and seller in domestic trade will use the same bank. As a result, banks enter the exchange process as third and fourth parties.
domestic	51. Exchange that involves a domestic seller and a foreign buyer is called foreign trade.

EXCHANGE	4. A buyer and seller are necessary for an exchange.
risk	16. John Grant, of course, may or may not be a good credit risk.
some (or more) risk	28. The check provides the seller some ASSURANCE of receiving his money, even though he is assuming a degree of risk.
fourth	40. When the mail-order house in Philadelphia desires to receive its money for the order, it takes the check to its own bank. Actually, the bank used by the mail-order house enters the exchange as an additional or fourth party.
foreign	52. The process of exchange in foreign trade is similar to that of domestic trade, but there are some interesting differences. First, the MONEY used in foreign countries is different from United States money.

exchange	5. John Grant, the buyer, and the Williams Shop for Men, the seller, are the PARTIES who make the exchange.
risk	17. If John Grant paid for the coat with a check instead of currency, the seller then assumes more (more/less) risk.
risk	29. The check, sent to the bank as a third party, provides the seller some a s s u r a n c e of payment.
fourth	41. Now you're ready for review. Refer to Panel A, "The Check as a Medium of Exchange." (As you will remember, these panels are together in a package of separate materials at the end of the lesson). Place the appropriate panel at the side of your program.
money	53. Second, individuals in many foreign countries write and speak a different language.

. exchange	6. John Grant, the buyer, and the Williams Shop for Men, the seller, who exchange money and merchandise, are called the PARTIES.
7. more	18. The Williams Shop for Men assumes a risk because the bank may not accept and pay John Grant's Check.
9. assurance	30. For the buyer and the seller, a check drawn on a bank as the third party serves as a medium of exchange.
	42. Look at Panel A. Step 1 of the diagram indicates that John Grant makes a deposit at his bank.
3. language	54. Third, a seller in the United States is likely to assume a greater risk in foreign trade than in domestic trade.

. PARTIES	7. In order for the exchange to take place, there must be a BUYER and a SELLER. They are called parties.
. check	19. If John Grant doesn't have "sufficient funds" in his account, the bank may not honor the check.
0. exchange	31. Payment by check involves at least three parties.
2. deposit . . bank	43. Now look at Step 2 in Panel A. Step 2 of the diagram involves two parts: (a) John Grant gives a check to the Williams Shop for Men, and (b) the Shop gives John Grant merchandise in return.
4. risk	55. The greater risk of selling in foreign trade requires that some document be used to provide a domestic seller some strong assurance of receiving payment.

. parties	8. The necessary parties in an exchange of money for merchandise are the BUYER and the SELLER
. check	20. Because the Williams Shop for Men has no assurance of sufficient funds in John Grant's account, the Shop is assuming a risk.
. three	32. The three parties you have now learned are the buyer, the seller, and the bank.
. merchandise (or goods)	44. The written assurance of payment provided by a check is greater than the spoken assurance of a charge account. Compared to payment by currency, however, the assurance of payment provided by a check is less (greater/less).
. assurance . . payment (or money)	56. To lessen risk and thus assure payment, companies and individuals involved in foreign trade use a document called the COMMERCIAL LETTER OF CREDIT. Like a check in domestic exchange, the Commercial Letter of Credit is used as a medium of exchange in foreign trade.

BUYER . . SELLER	9. In the example given earlier, John Grant is the Buyer and the Williams Shop for Men is the Seller.
risk	21. On the other hand, when the seller accepts payment in currency for the sport coat, he assumes less (more/less) risk.
2. buyer . .seller . . . bank	33. Trade of merchandise for money between a seller and buyer within one country is called domestic trade. Trade of merchandise for money between a seller in the United States and a buyer in a FOREIGN country is called foreign trade.
4. less	45. For the seller and the buyer, a check serves as a written medium of exchange.
6. medium of exchange	57. To lessen risk and thus to give more assurance to the seller of receiving payment, foreign trade requires the use of a document called the COMMERCIAL LETTER OF CREDIT.

. buyer . . seller	10. In the process of buying and selling, the buyer and seller are called Parties .
. less risk	22. If the seller had accepted a check in payment, though, the seller would have assumed more (more/less) risk.
3. foreign	34. An automobile manufacturer in Detroit sells cars to a dealer in Chicago. The exchange in this case is called domestic trade.
5. exchange	46. As a medium of exchange, the check helps the Williams Shop in decreasing risk , thus, providing some assurance of payment.
7. CREDIT	58. Exchange of money and merchandise in foreign trade requires the Commercial Letter of Credit because of greater risk, of differences in money systems, and of differences in written and spoken language.

parties	11. The process of parties trading merchandise and money is called an exchange.
more risk	23. In the EXCHANGE of a check for a sport coat, the check serves as a MEDIUM OF EXCHANGE.
domestic	35. If the manufacturer in the Unite States sold toys to a buyer in France, such a sale is an example of foreign trade.
risk . .assurance	47. Look at the panel again. Step 3 of the diagram is shown in two parts also: (a) The Williams Shop deposits the check at its bank, and (b) the bank credits the Shop's checking account. This is the same as saying, "The seller receives cash for merchandise."
language	59. The COMMERCIAL LETTER OF CREDIT is a foreign trade document which lessens risk and thus gives the seller greater assurance of receiving payment.

exchange	12. Since John Grant, the buyer, pays cash when he receives his sport coat, the seller, the Williams Shop for Men, assumes little if any RISK in the exchange.
exchange	24. The buyer and the seller, using the check as a medium of exchange, are only two of the parties in the exchange. The bank becomes a third party.
foreign	36. A housewife in Seattle orders and pays for merchandise by check from a mail-order house in Philadelphia. This purchase of merchandise is an example of domestic trade.
merchandise (or goods)	48. Notice the panel once more. The diagram indicates that four parties become involved in the exchange. They are the (a) buyer, the (b) buyer's bank, the (c) Seller, and the (d) seller's bank.
risk . .assurance	60. In the next lesson, you will learn how to use the foreign trade document called the COMMERCIAL LETTER of CREDIT.

2. exchange	Turn to page 1 and continue with item number 13.
4. party	Turn to page 1 and continue with item number 25.
6. domestic trade	Turn to page 1 and continue with item number 37.
8. (a) buyer (b) buyer's (c) seller (d) seller's	Turn to page 1 and continue with item number 49.
0. Commercial Letter of Credit	You have just completed Lesson I. Turn to page 14 and begin Lesson II.

Lesson II

The Commercial Letter of Credit

61. Howard Gray, the seller, ships electrical appliances from New York City to Hans Schneider, the buyer, in West Germany. In this example of foreign trade, Howard Gray is called an EXPORTER. Hans is, therefore, called an IMPORTER.

78. The Commercial Letter of Credit specifies the terms which the seller must follow to receive payment. It also specifies the terms that the buyer must follow to receive his Merchandise.

95. Thus, the United States bank may be referred to in the following ways. Because it notifies or advises the seller, it is called the notify ing or advising bank. Because it confirms credit, it is called the confirming bank.

112. Now turn to Panel C to review what you have learned. Step 1 in the letter of credit procedure indicates that the foreign importer places an order for appliances. The order goes to the American exporter, Howard Gray.

129. In Step 12, Hans makes payment to his bank in West Germany.

. importer	62. Hans Schneider, the importer, could probably pay for the appliances in advance, but he would have no assurance of receiving the merchandise which he had ordered.
8. merchandise (or appliances or goods)	79. Before considering Howard Gray and the United States bank as the other parties in the exchange, look at the panel to see the various names we can now use to refer to Hans, the importer, and his bank.
5. notifying . . advising . . confirming	96. Because it is the bank which contacts the seller or exporter, it is called the seller 's or exporter's bank. Because it corresponds with the foreign bank, it is called the correspondent bank.
2. order . . exporter (or seller)	113. In Step 2, the American exporter informs Hans Schneider that the order is accepted if payment is made by a Commercial Letter of Credit.
29. makes payment	130. So, Howard Gray receives his money for the appliances from the correspondent bank in the U S

2. merchandise (or appliances or goods)	63. On the other hand, if Howard Gray, the exporter in New York City, ships the merchandise without advance payment, he assumes a risk because he has little, if any, assurance of receiving his money.
	80. Hans Schneider, the importer, by applying for letter of credit financing, initiates or OPENS the letter of credit. Thus, Hans may be referred to as the opener.
6. seller's . . exporter's . . correspondent	97. Hans' Commercial Letter of Credit has three "promises to pay" as follows: (a) Hans' promise; (b) Hans' bank's promise; and (c) Howard Gray's bank's promise.
13. Commercial Letter of Credit	114. In Step 3, Hans agrees to make payment by letter of credit financing. To do this, Hans applies to his bank for a Letter of Credit.
30. correspondent (or "sister") . . United States	131. The U. S. correspondent bank will receive its money when it forwards the shipping documents to the negotiating bank in West Germany.

3. risk	64. In order to lessen the risk of non-payment or non-delivery of goods, a document is used in foreign trade which is called a Commercial Letter of Credit.
0. opener	81. Since Hans' bank provides a service in initiating or opening the Commercial Letter of Credit, the West German bank may also be referred to as the OPENing bank.
7. Hans' . . Hans' banks' . . banks'	98. Each additional promise to pay provides greater assurance that Gray, the seller, will receive his money.
14. Commercial Letter of Credit (or letter of credit)	115. In Step 4 Hans' bank, in West Germany, determines whether Hans has a good credit standing.
31. negotiating	132. The negotiating bank in West Germany will receive its money as soon as Hans receives the goods which he ordered from Howard Gray.

4. Credit	65. Thus, like the check is used in domestic trade, the Commercial Letter of Credit is used in foreign trade.
1. opening	82. Since the West German bank issues the Commercial Letter of Credit, the bank may also be referred to as the issuing bank.
8. assurance	99. When Hans' bank gives its "promise to pay" on the letter of credit, the letter is called an Irrevocable Commercial Letter of credit.
5. credit	116. Hans must have had a good credit standing for, in Step 5, Hans' bank in West Germany informs the U. S. Bank that a Commercial Letter of Credit is established for Hans.
2. merchandise (or appliances or goods)	133. Turn now to Panel D. Panel D is an example of a Commercial Letter of Credit as used by Hans Schneider and Howard Gray. Item A shows that the name of the U. S. correspondent or notifying bank is the Bank of N.Y.

5. foreign	66.	The Commercial Letter of Credit provides advantages for both the importer and the exporter. It serves to assure the exporter of receiving payment while it assures the importer of receiving his merchandise.
2. issuing	83.	Since the West German bank negotiates the letter of credit, the bank is also called the negotiating bank.
9. Letter of Credit	100.	"Irrevocable" means that the credit extended by Hans' bank will not be cancelled. (will/will not)
6. bank	117.	Since the West German bank finds that Hans has a good credit standing, the bank extends credit to him by issuing an Irrevocable Commercial Letter of Credit.
3. Bank of New York	134.	In Item B on Panel D, the Foreign Department advice number for this letter of credit is No. 273.

6. merchandise (or appliances or goods)	67. Like domestic trade, the importer (or buyer) and the exporter (or seller) are only two of the parties in the exchange. The bank of the importer is a third party.
3. negotiating	84. To review: Since the West German bank issues the Commercial Letter of Credit, Hans' bank may be called the issuing bank. Since it opens the Commercial Letter of Credit, it may be called the opening bank. Since Hans' bank negotiates the letter of credit, it may be called the negotiating bank.
0. will not	101. The issuance of an IRREVOCABLE COMMERCIAL LETTER OF CREDIT means that both the importer in West Germany and his bank have given their "promise to pay."
7. Irrevocable	118. The West German bank informs the "sister" U. S. bank of the establishment of an Irrevocable Commercial Letter of Credit. The U. S. bank may also be referred to as confirming, sister, advising corres bank.
4. 273	135. In Item C, the letter of credit advice is addressed to "Howard Gray and Company, Inc."

7. third	68.	In the example above, Hans' bank in West Germany, therefore, is a third party in the exchange.
4. issuing . . opening . . negotiating	85.	Assume that the appliances Hans wants to buy cost $3,000. It will be necessary for his bank to extend credit to him in the amount of $3,000.
1. "promises to pay"	102.	In the event that Hans' bank refused to add its "promise to pay" to the letter of credit, the document would be revocable rather than irrevocable.
8. seller's (or confirming or notifying or advising or correspondent)	119.	If the West German bank had thought that Hans was a poor credit risk, it probably would have issued a revocable Commercial Letter of Credit. In so doing, the bank would not (would/would not) add its "promise to pay."
5. Howard Gray	136.	In Item D, the Bank of New York was informed of the establishment of letter of credit financing by means of a cable, dated January 19, 1963.

8. third party	69.	A bank in New York City used by Howard Gray, the exporter, is a fourth party.
5. credit	86.	When the bank finds that Hans is a good credit risk, the bank will extend credit in the amount of $3,000.
2. irrevocable	103.	If the bank in West Germany refused to extend credit to Hans, the letter of credit would then be called a Revocable Commercial Letter of Credit.
9. Revocable . . would not	120.	In Step 6, the advising bank in the United States advises Howard Gray that letter of credit financing has been established.
6. cable	137.	Item E says that the bank in West Germany has opened an irrevocable commercial letter of credit, No. 2596.

. fourth	70. Like a check, a commercial letter of credit is a medium of exchange that lessens risk in foreign trade by using banks as third and fourth parties.
. extend credit	87. By extending the $3,000 of credit to Hans, the bank in effect promises to pay for the merchandise.
3. Revocable Commercial Letter of Credit	104. Naturally, Howard Gray, the exporter, must have the added assurance of the Irrevocable Commercial Letter of Credit.
0. advises	121. Since the United States bank knows that the West German bank has a good credit standing, it will CONFIRM the letter of credit, making it a Confirmed Irrevocable Commercial Letter of Credit.
7. 2596	138. Item F shows that the West German bank had extended credit for a sum up to but not exceeding $3,000.

0. third . .fourth	71. Let's see how the parties use a letter of credit in foreign trade. Turn to Panel B to see "The Beginning Steps in Commercial Letter of Credit Financing."
7. merchandise (or appliances or goods)	88. At this point in the letter of credit procedure, there are two "promises to pay." First, Hans promises to pay; and, second, Hans' bank promises to pay by extending credit to Hans in the amount of $3,000.
4. Irrevocable Commercial Letter of Credit	105. Because the Irrevocable Commercial Letter of Credit has "assurance of payment" from the buyer and the buyer's bank, the seller assumes less risk and thus has more assurance of payment.
1. Confirmed Irrevocable	122. A Confirmed Irrevocable Commercial Letter of Credit gives three "promises to pay." Those who promise to pay are: (1) Hans, the importer; (2) Hans' bank in West Germany; and (3) the U. S. bank.
8. $3,000	139. Item G indicates that the drafts to be presented by Howard Gray, the seller-exporter, will be paid at sight.

	72.	Look at Step 1. The importer, Hans Schneider, plac an order with Howard Gray, the American exporter.
extending (or giving) credit	89.	Because the bank provides a second promise to pay, Howard Gray in New York City is given greater assurance of receiving payment.
risk . . assurance	106.	Since the correspondent or "sister" bank in the United States knows that the West German bank has a good credit standing, it will CONFIRM the Irrevocab Commercial Letter of Credit. CONFIRMING the letter of credit means that the United States bank backs u the credit extended by the bank in West Germ
importer . . bank . . bank	123.	Now look at Step 7 of Panel C. Howard Gray, the American exporter, sends the documents describing the trade agreement to the U. S. bank. These documents confirm the financial agreement and describe the terms which must be followed if Hans Schneider is to receive his goods.
sight	140.	Item H specifies the documents which Howard Gray must present as soon as he has the merchandise on board and ready for shipment.

2. exporter (or seller)	73. In Step 2, Howard Gray informs Hans that his order is accepted if it is financed through a Commersial Letter of Credit
9. assurance . . payment (or money)	90. Return to Panel B. After Hans is extended credit, Step 5 shows that Hans' bank in West Germany informs a bank in the United States that a Letter of Credit is established to finance Hans' purchase.
06. West Germany	107. In effect, the CONFIRMATION by the United States bank is another "promis to pay."
23. merchandise (or appliances or goods)	124. Look at Steps 8 and 9. In Step 8, the U. S. bank forwards the documents to the negotiating bank in West Germany.
40. shipment	141. Item I contains the additional terms which Howard Gray must follow in order that he will receive payment for his appliances.

. Commercial Letter of Credit	74. Look now at Step 3. Hans, the importer in West Germany, applies to his bank for a Letter of Credit.
. Letter of Credit (or Commercial Letter of Credit)	91. Look at the United States bank on the diagram. You'll see that the United States bank may be referred to by several names, too. Because this bank CORRESPONDS with the bank in West Germany, it is called the c o r r e s p o n d e n t bank.
7. "promise to pay"	108. This confirmation or third "promise to pay" provides more assurance of payment. Less risk is assumed by the seller.
4. negotiating	125. Step 9 shows that Howard Gray ships the goods to Hans Schneider in West Germany.
1. payment (or money)	142. Item J indicates the place in the letter of credit where the U. S. bank confirms the credit extended by the West German bank.

4. Commercial Letter of Credit (or Letter of Credit)	75.	Hans' bank in West Germany first determines whether Hans is a good credit risk.
1. correspondent	92.	Note Step 6 in Panel B. Because the correspondent bank advises Howard Gray of the establishment of letter of credit financing, it is also referred to as the advising bank.
8. assurance . . risk	109.	If the letter of credit says that the West German bank will pay the United States exporter even if the German importer fails to pay his bank, the instrument is called an Irrevocable Letter of Credit.
5. merchandise (or appliances or goods)	126.	Actually Steps 7 and 9 take place about the same time. When Howard Gray has the appliances ready for shipment, he takes the documents to the U. S. bank where he receives payment in exchange for the merchandise.
2. confirms	143.	It is at this point that the letter of credit becomes a Confirmed Irrevocable Letter of Credit.

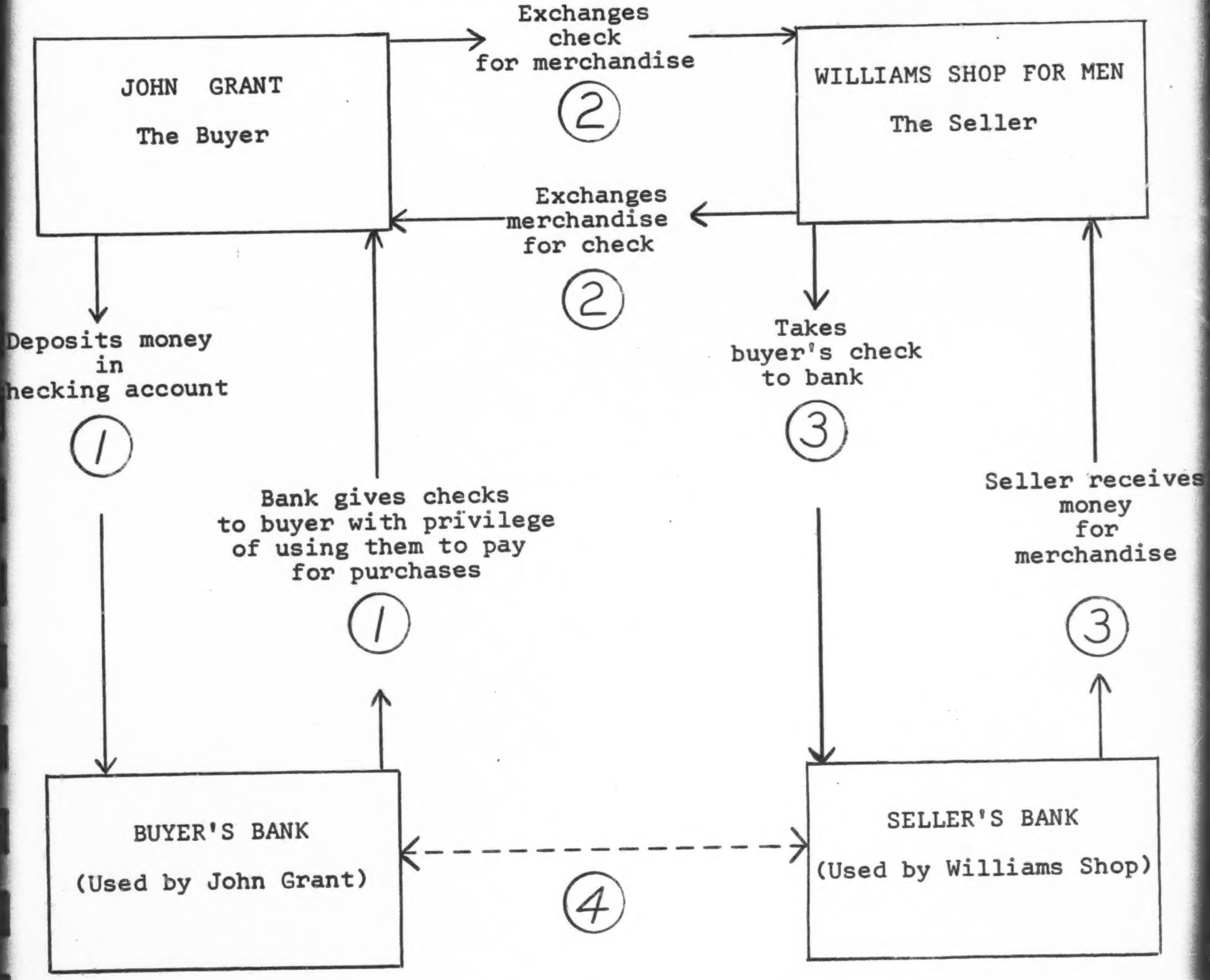
5. risk	76. Hans must have a good credit standing (or rating) before the bank will issue a Letter of Credit.
2. advising	93. In Step 5, you will see that the domestic and foreign banks are often referred to as "sister" banks because they have a working relationship with each other. One task performed by the "sister" bank in New York City is that of notifying or advising Howard Gray that letter of credit financing has been established.
9. Irrevocable Commercial Letter of Credit	110. When the United States bank adds its "promise to pay," the document is called a CONFIRMED Irrevocable Letter of Credit.
6. payment (or money)	127. Now look at Steps 10, 11, and 12. Step 10 indicates that Howard Gray receives his money for the appliances from the correspondent bank in the U. S.
3. Confirmed Irrevocable Commercial Letter of Credit	You have completed the lessons on the Commercial Letter of Credit as a document of foreign finance. TIME: 40 min.

. Commercial Letter of Credit (or Letter of Credit)	77. In issuing a Commercial Letter of Credit, the importer and his bank set forth the terms which Howard Gray must follow to receive payment.
3. advising	94. In addition to notifying or advising the exporter that letter of credit financing has been established, the New York bank performs a function of CONFIRMING the credit which is established by the bank in West Germany.
0. Confirmed Irrevocable Commercial Letter of Credit)	111. When the document becomes a Confirmed Irrevocable Commercial Letter of Credit, the seller (Howard Gray in New York City) assumes little (little/great) risk. This means that he has great (little/great) assurance of payment.
27. correspondent . . United States	128. Step 11 indicates that the West German bank makes pay to the correspondent bank in the United States.

7. payment (or money)	Turn to page 14 and continue with item number 78.
4. West Germany	Turn to page 14 and continue with item number 95.
1. little . . great	Turn to page 14 and continue with item number 112.
8. makes payment	Turn to page 14 and continue with item number 129.

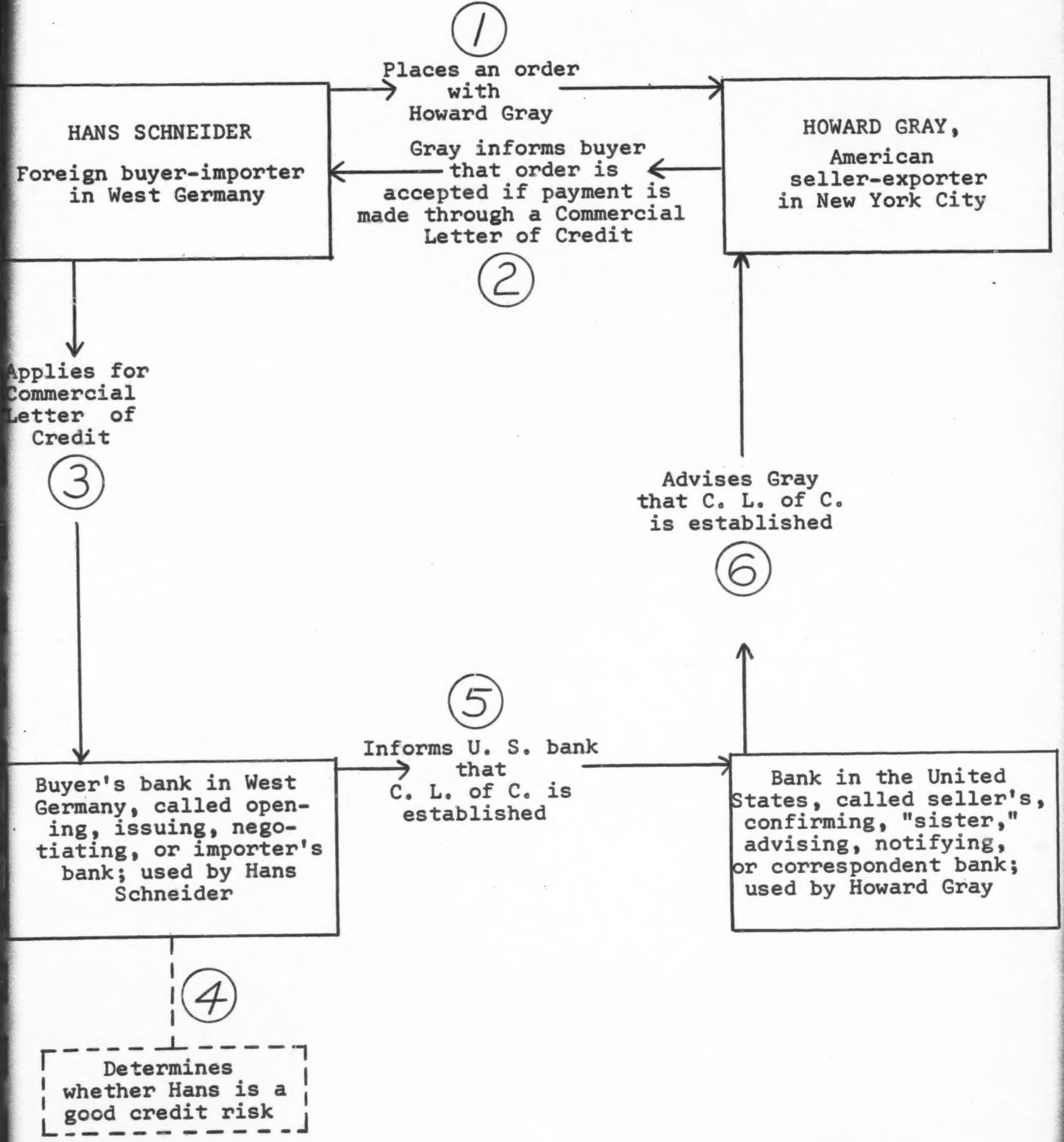
PANEL A

The Check as a Medium of Exchange


JOHN GRANT
The Buyer
Exchanges check for merchandise
②
WILLIAMS SHOP FOR MEN
The Seller
Exchanges merchandise for check
②
Deposits money in hecking account
①
Bank gives checks to buyer with privilege of using them to pay for purchases
①
Takes buyer's check to bank
③
Seller receives money for merchandise
③
BUYER'S BANK
(Used by John Grant)
④
SELLER'S BANK
(Used by Williams Shop)

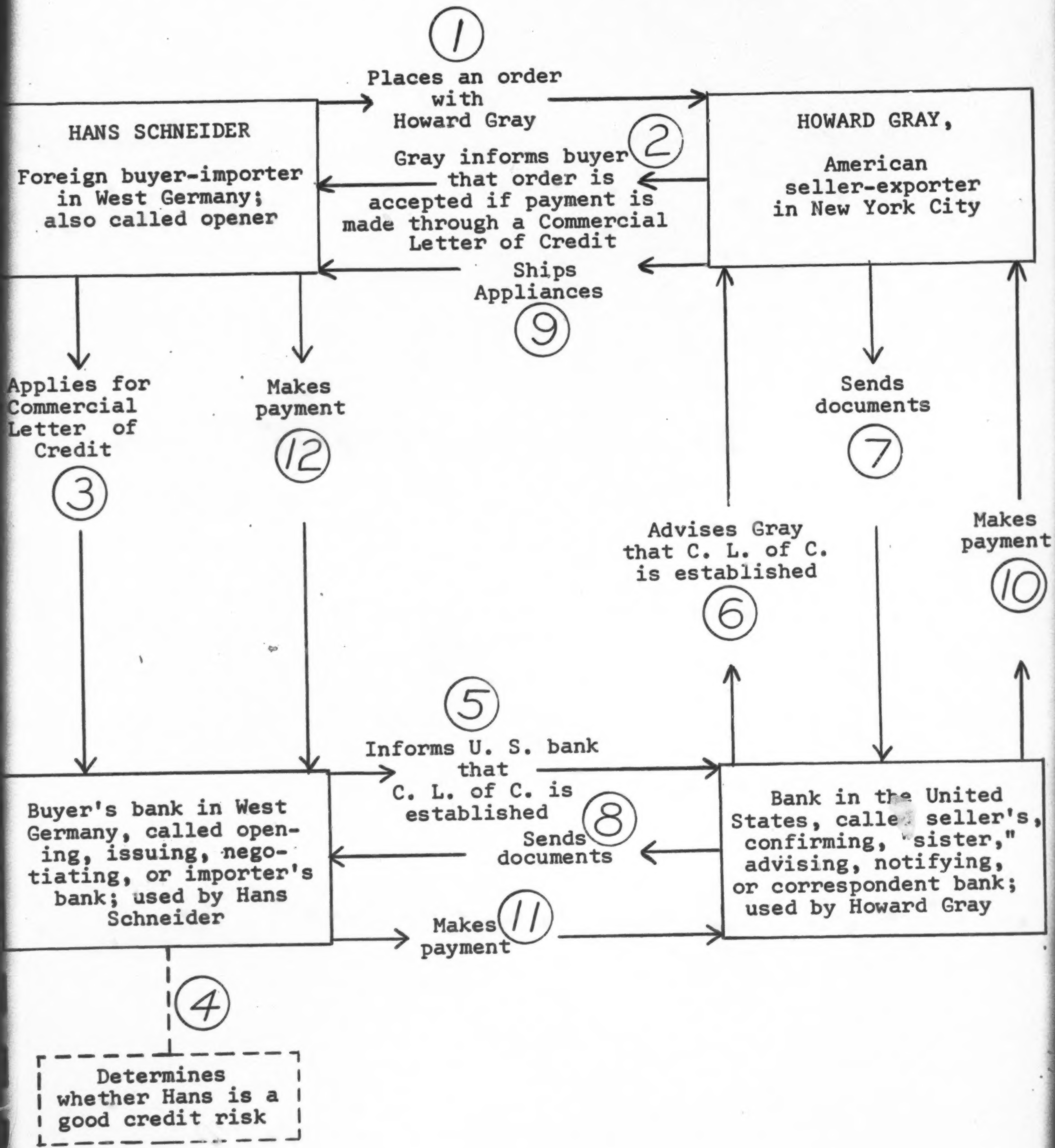
PANEL B

Beginning Steps in Commercial Letter of Credit Financing


①
Places an order with Howard Gray
HANS SCHNEIDER
Foreign buyer-importer in West Germany
HOWARD GRAY,
American seller-exporter in New York City
Gray informs buyer that order is accepted if payment is made through a Commercial Letter of Credit
②
Applies for Commercial Letter of Credit
③
Advises Gray that C. L. of C. is established
⑥
⑤
Informs U. S. bank that C. L. of C. is established
Buyer's bank in West Germany, called opening, issuing, negotiating, or importer's bank; used by Hans Schneider
Bank in the United States, called seller's, confirming, "sister," advising, notifying, or correspondent bank; used by Howard Gray
④
Determines whether Hans is a good credit risk

PANEL C

Steps in Commercial Letter of Credit Financing


①
Places an order with Howard Gray
HANS SCHNEIDER
Foreign buyer-importer in West Germany; also called opener
HOWARD GRAY,
American seller-exporter in New York City
②
Gray informs buyer that order is accepted if payment is made through a Commercial Letter of Credit
Ships Appliances
⑨
Applies for Commercial Letter of Credit
③
Makes payment
⑫
Sends documents
⑦
Advises Gray that C. L. of C. is established
⑥
Makes payment
⑩
⑤
Informs U. S. bank that C. L. of C. is established
⑧
Sends documents
Buyer's bank in West Germany, called opening, issuing, negotiating, or importer's bank; used by Hans Schneider
Bank in the United States, called seller's, confirming, "sister," advising, notifying, or correspondent bank; used by Howard Gray
Makes payment
⑪
④
Determines whether Hans is a good credit risk

PANEL D

A Commercial Letter of Credit

BANK OF NEW YORK Ⓐ

Foreign Department
Our Advice No. 273 Ⓑ
January 20, 1963

(Mention this advice number and date on all drafts and commissions)

Ⓒ

Howard Gray and Company, Inc.
100 Bridge Street
New York 36, New York

Gentlemen:

Ⓓ

We are instructed by the BADISCHE BANK, KARLSRUHE, GERMANY in their CABLE of JANUARY 19, 1963, to advise you that they have opened their irrevocable letter of credit no. Ⓔ 2596 for a sum or sums not exceeding a total of THREE THOUSAND Ⓕ DOLLARS ($3,000) U. S. CURRENCY -

For account of HANS SCHNEIDER, KARLSRUHE, GERMANY
available by your drafts on us at SIGHT Ⓖ
accompanied by

Ⓗ

Commercial invoice in duplicate

Consular invoice

Marine and war risk insurance certificate for CIF invoice value plus 10% including W. P. A., marine extension clause, and coverage against theft, pilferage, and non-delivery

"On board" bills of lading drawn to the order of the BADISCHE BANK, marked "Freight Prepaid"

Evidencing shipment of eight (8) #7184 refrigerators, 376 pounds each, from New York to Germany. Partial shipment not permitted.

Ⓘ

All drafts, with documents as specified, must be presented at this office not later than March 31, 1963.

Unless otherwise expressly stated this advice is subject to the uniform customs and practice for commercial documentary credits fixed by the seventh congress of the International Chamber of Commerce and certain guiding provisions.

The above mentioned correspondent engages with you that all drafts drawn under and in compliance with the terms of this advice will be duly honored on presentation.

Ⓙ

We hereby confirm the above credit and undertake that all drafts drawn and presented as above specified will be duly honored by us.

Yours very truly,

(signed)
authorized signature

APPENDIX B

LESSON II

Bill Young, a recent high school graduate, bought a part interest in a radio and record shop with the $2,000 he had saved from summer jobs.

Since he wanted to make a profit, he did not invest his money blindly. He wanted to be a success in business. After his study of the business, Bill decided the partnership in the radio and record shop was a good investment, particularly if stereo components for phonographs were stocked. He found that he could make a profit by buying sound components from a Japanese concern, T. M. Moto and Company, in Tokyo.

To see how this was arranged, turn to the next page and begin frame 61.

61. Bill had worked late at the shop every night for a month, but it was paying off as sales were increasing. So, Sunday evening he took Sally to see "Lawrence of Arabia." After the movie, at the pizzeria, Sally asked about importing the components. (Turn to the next page for frame 62.)

77. Bill: "Remember that motor scooter I bought on credit? Dad convinced me it would harm my future credit rating if I were slow with my payments. Now that I have a good credit rating, the bank will extend CREDIT in the amount of $3,000."

⬢

93. Bill: "Right! The issuance of an IRREVOCABLE COMMERCIAL LETTER OF CREDIT means that both the importer and his bank have given their ' CONSENT to pay.'"

109. Sally: "You must have had a good credit standing for, in step 5, your bank in Detroit informs the Tokyo, Japan BANK that a Commercial Letter of Credit is established for you."

▲

125. Bill: "Right, then the correspondent bank in Japan will receive its money when it forwards the shipping documents to the n e g o TIAIING bank in Detroit."

	62. Bill explains: "Foreign trade has much more risk than domestic trade so it is necessary to use a Commercial Letter of Credit. Here, I'll draw a diagram on my napkin. (Take Bill's napkin from the packet.) Look at step 1, Sally. I, the importer, place an order with Mr. Moto, the Japanese EXPORTER."
credit	78. Sally: "You mean they checked back that far?" Bill: "Well, the bank must be certain of their customers, Sally, because, by extending the $3,000 of credit to me, the bank in effect promises to pay for the goods." ⬢
'promise to pay'	94. Bill: "In the event that my bank refused to add its 'promise to pay' to the letter of credit, the document would be revocable, rather than i r r e V O C A B L E."
bank	110. Sally: "Since the United States bank finds that you have a good credit standing, the bank extends credit to you by issuing an IRREVOCABLE Commercial Letter of Credit. ▲
5. negotiating	126. Bill: "The negotiating bank, that is, my bank, will receive its money as soon as I receive the goods I ordered from Mr. Moto. Gosh, I'd better get you home!"

exporter (or seller)	63. Sally: "Aren't you handsome in that picture!" Bill: "All right, comedian, do you want to hear this or don't you?" Sally: "I didn't say a word. What's step 2?" Bill: "In step 2, Mr. Moto informs me that my order would be accepted if it is financed through a Commercial Letter of CREDIT."
merchandise (or components or goods)	79. Bill: "At this point in the letter of credit procedure, there are two 'promises to pay'. First, I promise to pay; and, second, my bank promises to pay by EXTENDING CREDIT to me in the amount of $3,000." ⬢
irrevocable	95. Bill: "If my bank refused to extend credit to me, the letter of credit would then be called a REVOCABLE C COMMERCIAL LETTER of CREDIT."
Irrevocable	111. Sally: "The United States bank informs the 'sister' Japanese bank of the establishment of an Irrevocable Commercial Letter of Credit. The Japanese bank may also be referred to as the SELLER'S bank." ▲
merchandise (or components or goods)	127. As Bill kissed Sally goodnight at the door, he thought how lucky he was to have a girl who was sharp-looking, lots of fun, and could still talk seriously about business!

. Credit	64. Bill: "Now look at step 3, Sally. I apply to my bank for a COMMERCIAL LETTER OF CREDIT."
. extending (or giving) credit	80. Sally: "Oh, you mean your bank provides a second promise to pay if you do not pay. Mr. Moto in Tokyo, then, is given greater ASSURANCE of receiving PAYMENT." ⬢
. Revocable Commercial Letter of Credit	96. Sally: "Naturally, Mr. Moto, the exporter, must have the added assurance of the IRREVOCABLE COMMERCIAL LETTER of CREDIT." Bill daydreams: "Gee, Sally's eyes really sparkle when she gets determined, and she seems determined to understand foreign trade finance."
. seller's ..confirming ..notifying r ..advising ..correspondent	112. Sally: "If your bank had thought that you were a poor credit risk, it probably would have issued a REVOCABLE Commercial Letter of Credit. In so doing, the bank WOULD NOT (would/would not) add its 'promise to pay.'" ▲
.	128. Now turn to the Commercial Letter of Credit in the packet. This is an example of the one used by Bill Young and Mr. Moto. Item A shows that the name of the Japanese correspondent or notifying bank is the BANK OF JAPAN.

Commercial Letter of Credit (or Letter of Credit)	65. Bill: "Then you'll see in step 4 that my bank first determines whether I'm a good credit RISK." Sally: "Is that necessary?" Bill: "It certainly is. Our competitor, Dukes Disc Shop, was refused credit about two months ago. They've been in business fifteen years, but lately their sales have dropped."
assurance . . payment (or money)	81. Bill: "A-OK! Back to the napkin again. After my bank in Detroit extends credit, step 5 shows that it informs the Bank of Japan that a COMMERCIAL LETTER OF CREDIT established to finance my purchase." ⬢
Irrevocable Commercial Letter of Credit	97. Bill: "Yes, because the Irrevocable Commercial Letter of Credit has 'assurance of payment' from the buyer and the buyer's bank, the seller assumes less RISK and thus has more ASSURANCE of payment."
Revocable.. would not	113. Sally: "In step 6, the advising bank in Japan INFORMS Mr. Moto that letter of credit financing has been established." ▲
Bank of Japan	129. In Item B on the letter, the Foreign Department advice number for this letter of credit is No. 273.

. risk	66. Bill: "You see, Sally, I don't have the money to pay for the order of components now. So the bank must be certain that my business will earn enough money to pay for the order in a reasonable time. I must have a good credit standing or rating before the bank will issue a COMMERCIAL LETTER OF CREDIT."
1. Letter of Credit (or Commercial Letter of Credit)	82. Bill: "Look at the Bank of Japan on the diagram. You'll see that it may be referred to by several names, also. Because this bank CORRESPONDS with the bank in Detroit, it is called the cORRESPONDent bank." ⬢
7. risk . . assurance	98. Bill: "Since the correspondent or 'sister' bank in Japan knows that the Detroit bank has a good credit standing, it will CONFIRM the Irrevocable Commercial Letter of Credit. CONFIRMING the letter of credit means that the Bank of Japan backs up the credit extended by the bank in the UNITED STATES."
3. advises (or notifies or informs)	114. Sally: "Since the Bank of Japan knows that the Detroit bank has a good credit standing, it will CONFIRM the letter of credit, making it a CONFIRMED IRREVOCABLE Commercial Letter of Credit." ▲
9. 273	130. In Item C, the letter of credit advice is addressed to "T.M. MOTO & COMPANY and Company, Inc."

6. Commercial Letter of Credit (or Letter of Credit)	67. Bill: "In issuing a Commercial Letter of Credit, the importer and his bank set the terms which Mr. Moto must follow to receive PAYMENT."
2. correspondent	83. Bill: "Now that the Bank of Japan, or the correspondent bank, advises Mr. Moto of the establishment of letter of credit financing, it is also referred to as the ADVISing bank."
8. United States	99. Bill: "The CONFIRMATION by the Bank of Japan is another 'PROMISE to PAY.'" Sally: "Did they confirm your letter?"
4. Confirmed Irrevocable	115. Sally: "A Confirmed Irrevocable Commercial Letter of Credit gives three 'promises to pay.' Those who promise to pay are: (1) you, the imPORTER; (2) your BANK in Detroit; and (3) the Japanese BANK."
0. T. M. Moto	131. In Item D, the Bank of Japan was informed of the establishment of letter of credit financing by means of a CABLE, dated January 19, 1963.

payment (or money)	68. Sally thinks: "Gosh, Bill must really know his business to have a better credit rating than Dukes Disc Shop!"
advising	84. Bill: "In Step 5, you will see that the domestic and foreign banks are often referred to as 'sister' banks because they have a close relationship with each other. One task performed by the 'sister' bank in Tokyo is that of notifying or a d V I S I N G, Mr. Moto that letter of credit financing has been established." ⬢
'promise to pay'	100. Bill: "Yes" Sally: "Wouldn't it have been easier to borrow the money from your Dad?" Bill: "Oh, yes, but I felt I had to do this on my own. This confirmation, or third, 'promise to pay' provides more ASSURANCE of payment. Less RISK is assumed by the seller."
importer . . bank . . bank	116. Sally: "Now how do you get the components?" Bill: "Let me have your napkin." (Take Sally's napkin from the packet.) "See step 7, Mr. Moto ships the COMPONENTS to me." ▲
cable	132. Item E says that the bank in Detroit has opened an irrevocable commercial letter of credit, No. 2596.

	69. Bill interrupts her dreams: "The Commercial Letter of Credit specifies the terms which the seller must follow to receive payment. It also specifies the terms that I, the buyer, must follow to receive my GOODS."
advising	85. Bill: "In addition to notifying or advising the exporter that letter of credit financing has been established, the Tokyo bank performs a function of CONFIRMING the credit which is established by the bank in UNITED STATES ⬢
assurance . . risk	101. Bill: "If the letter of credit says that the United States bank will pay Mr. Moto even if I fail to pay my bank, the instrument is called an IRREVOCABLE LETTER OF CREDIT."
merchandise (or goods or components)	117. Bill: "Then in step 8, Mr. Moto takes the shipping documents to the Bank of Japan. These shipping documents confirm that Mr. Moto has lived up to his part of the bargain and I will receive my goods." ▲
2596	133. Item F shows that the Detroit bank had extended credit for a sum up to but not exceeding $ 3,000.

merchandise (or components or goods)	70. Sally: "You certainly have to make more decisions in this business than you did when working for your Dad, don't you?" Bill: "You can say that again! That's one reason why it was so important to go into business for myself. Who wants to be dependent upon his father all his life!"
Detroit (or United States)	86. Sally: "You certainly know a lot about letter of credit financing, Bill." Bill: "Not nearly enough. I'm enrolling in an evening class in finance next term. To get ahead in business you have to keep learning all the time." ●
Irrevocable Commercial Letter of Credit	102. Sally: "And when the Bank of Japan adds its 'promise to pay,' the document is called a CONFIRMED COMMERCIAL LETTER OF CREDIT."
components (or goods or merchandise)	118. Bill: "Step 9 shows that Mr. Moto receives his money for the components from the correspondent bank in JAPAN." ▲
$3,000	134. Item G indicates that the drafts to be presented by Mr. Moto, the seller-exporter, will be paid at SIGHT.

	71. Bill: "Look at the napkin again and see how many terms are used to identify my bank. When I, the importer, apply for letter of credit financing, my bank initiates or OPENS the letter of credit. Thus, it may be referred to as the o p e n ER."
	87. Sally: "Well, let's see what I have learned. The Bank of Japan may be referred to in the following ways. Because it notifies or advises the seller, it is called the NOTIFY ing or ADVISING bank. Because it confirms credit, it is called the CONFIRMING bank." ⬢
. Confirmed Irrevocable Commercial Letter of Credit	103. Bill: "Yes. When the document becomes a Confirmed Irrevocable Commercial Letter of Credit, the seller (Mr. Moto in Tokyo) assumes little (little/great) risk. This means that he has great (little/great) assurance of payment."
. correspondent Japan	119. Bill: "Actually steps 8 and 9 take place about the same time. When Mr. Moto has shipped the components, he takes the shipping documents to the Bank of Japan where he receives MONEY in exchange for the merchandise." ▲
. sight	135. Item H specifies the documents which Mr. Moto must present as soon as he has the merchandise on board ready for s h i p MENT.

opener	72. Bill: "Since my bank provides a service in initiating or opening the Commercial Letter of Credit, it may also be referred to as the OPENing bank."
notifying . . advising . . confirming	88. Bill: "Right!" Sally: "And because the Bank of Japan contacts the seller or exporter, it is called the SELLER 's or EXPORTER's bank. Because it corresponds with the American bank, it is called the CORRESpondent bank." ⬢
little . . great	104. Sally: "It's a good thing you didn't buy that new car." Bill: "Oh, and how I wanted it. But I don't think I could have received any more credit if I had borrowed for a car. Much as I would like to have that red convertible, I'll just have to keep my car for another two years. By then I should be earning enough from the business to buy that new car."
payment (or money)	120. Bill: "In step 10, the Bank of Japan forwards the shipping documents to the bank in Detroit which originally negoTIATed the Commercial Letter of Credit." ▲
shipment	136. Item I contains the additional terms which Mr. Moto must follow in order that he will receive PAYMENT for his components.

2. opening	73. Bill: "Since my bank issues the Commercial Letter of Credit, it may also be referred to as the ISSUing bank."
3. seller's . . exporter's . correspondent	89. Sally: "Then your Commercial Letter of Credit has three 'promises to pay' as follows: (a) your promise; (b) your BANK 's promise; and (c) Mr. Moto's BANK 's promise." ⬢
	105. Sally: "Give me your napkin again so I can review this. Step 1 in the letter of credit procedure indicates that the American importer places an ORDER for components. The order goes to the foreign SELLER, Mr. Moto."
. negotiated	121. Bill: "Step 11 indicates that the Detroit bank MAKES PAYMENT to the correspondent bank in Japan." ▲
. payment (or money)	137. Item J indicates the place in the letter of credit where the Bank of Japan conFIRMS the credit extended by the Detroit bank.

. issuing	74. Bill: "Since my bank negotiates the letter of credit, the bank is also called the NEGOTIATING bank." Sally: "You don't realize how important these words are when you're in school, do you?"
9. bank's bank's	90. Sally: "Therefore, each additional promise to pay provides greater ASSURANCE that Mr. Moto, the seller, will receive his money. Right?" ●
5. order . . exporter (or seller)	106. Sally: "In step 2, the Japanese exporter informs you that the order is accepted if payment is made by a COMMERCIAL LETTER OF CREDIT."
1. makes payment	122. Sally thinks: "I'm so glad I wore my new suit tonight instead of that party dress. Bill looks so cool in his businessman's suit, I'd hate to be overdressed when I'm with him." ▲
7. confirms	138. It is at this point that the letter of credit becomes a CONFIRMED irrevocable commercial letter of credit.

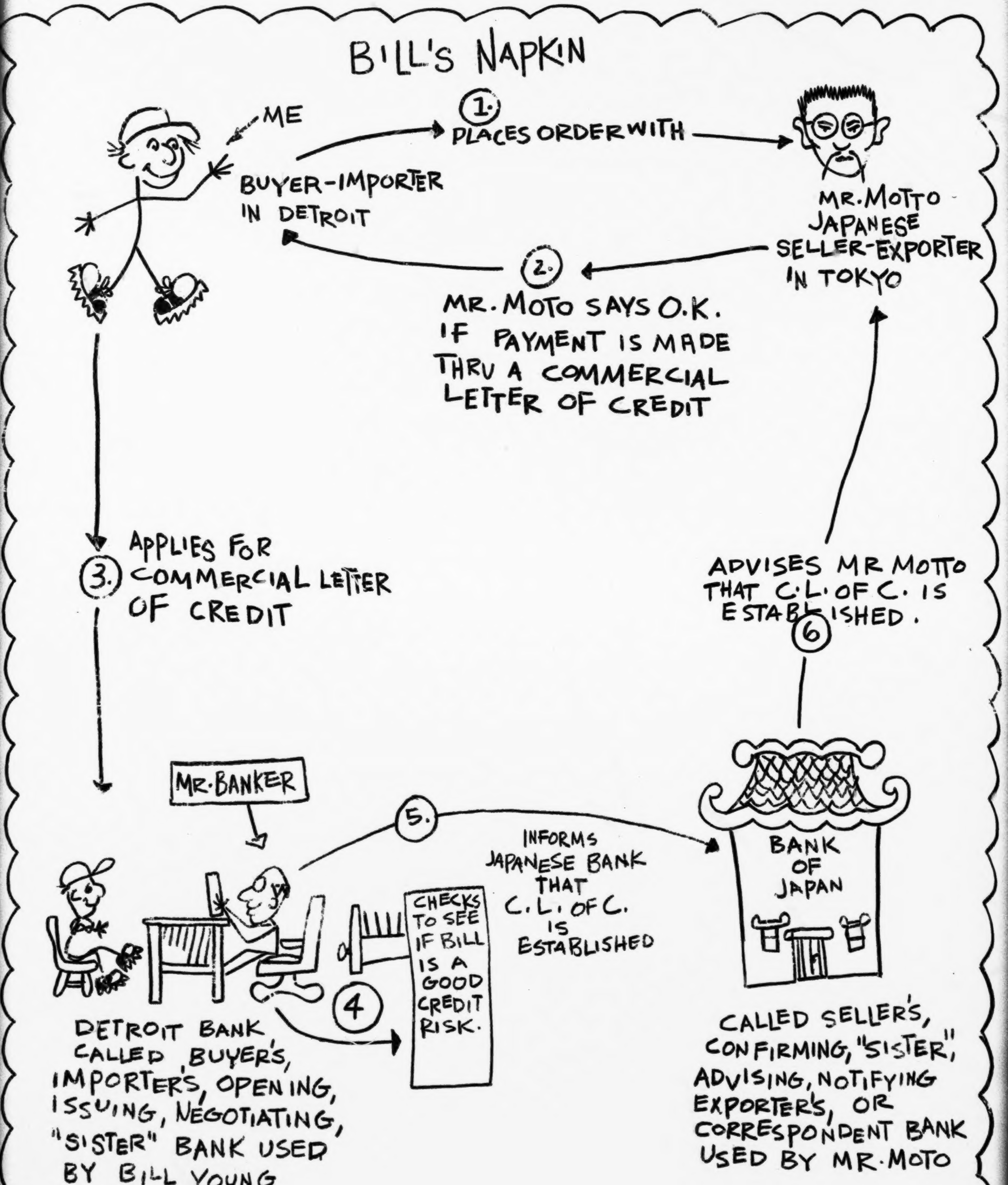
4. negotiating	75. Sally: "Check to see if I have this straight. Since your bank issues the Commercial Letter of Credit, it may be called the ISSUING bank. Since it opens the Commercial Letter of Credit, it may be called the OPENING bank. Since your bank negotiates the letter of credit, it may be called the NEGOTIATING bank."
0. assurance	91. Bill was caught daydreaming: "Sally looked so cute tonight, why am I wasting my time talking about credit? Being a businessman sure changes your social life!" Bill: "What did you say? Oh, yes, now when my bank gives its 'promise to pay' on the letter of credit, the letter is called an Irrevocable Commercial LETTER OF CREDIT." ⬢
6. Commercial Letter of Credit (or) Confirmed Irrevocable L of C	107. Sally: "In step 8, you agree to make payment by letter of credit financing. To do this, you apply to your bank for a COMMERCIAL LETTER OF CREDIT."
	123. Bill: "In step 12 I MAKE PAYMENT to my bank in Detroit." ▲
8. Confirmed Irrevocable Commercial Letter of Credit	139. Well done! You have completed the lessons on the Commercial Letter of Credit as a document of foreign finance. Time 30 minutes.

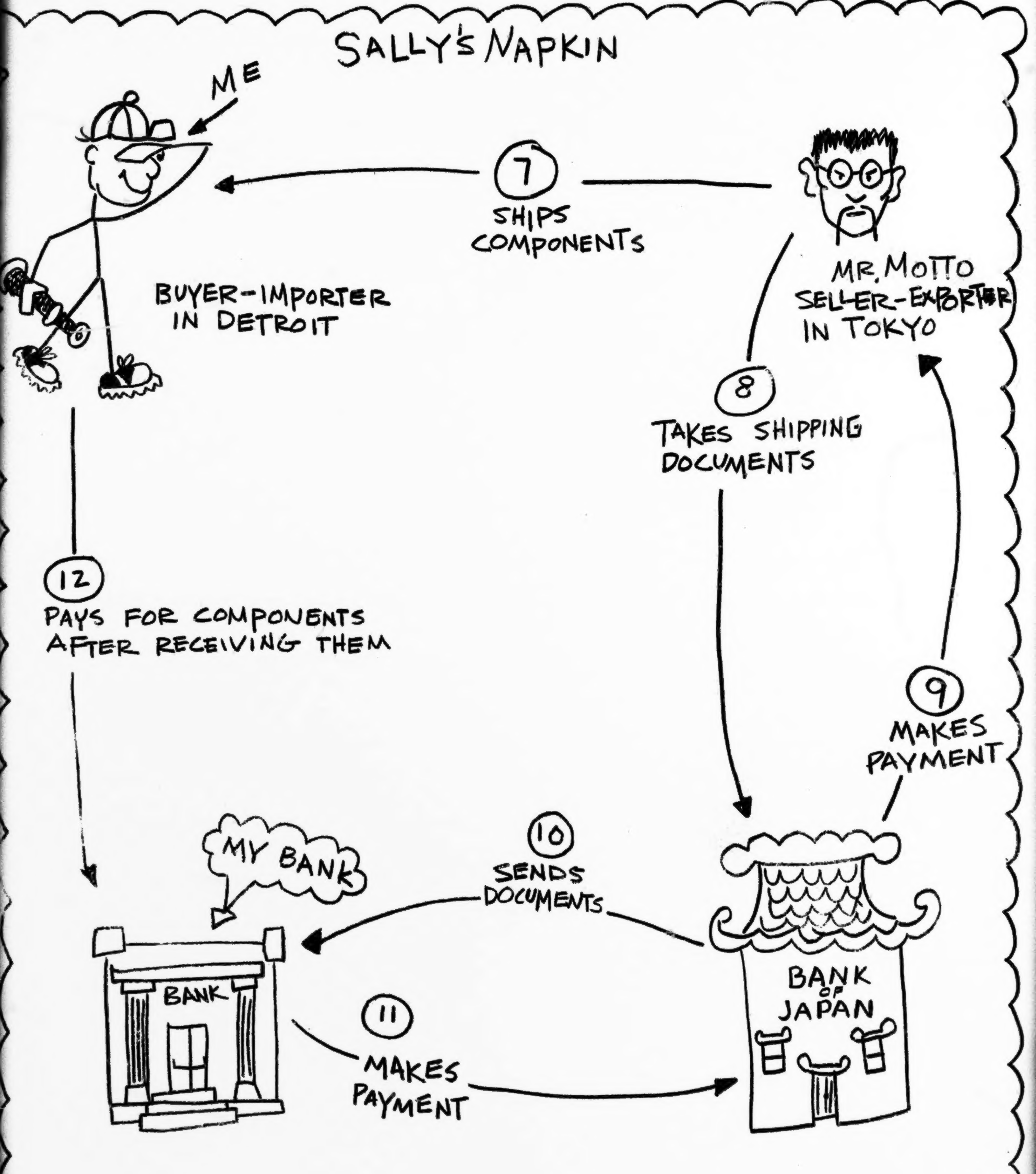
. issuing . . opening . . negotiating	76. Bill: "Right. The bank has agreed to $3,000 of c r EDIT. They checked my past loans to see that all payments were made on time. I even showed them our forecast of sales for the next year. I think they were impressed by that."
1. Letter of Credit	92. Sally: "I suppose 'irrevocable' means that the credit extended by your bank WILL NOT (will/will not) be cancelled." ⬢
7. Commercial Letter of Credit (or letter of credit)	108. Sally: "In step 4 your bank in Detroit determines whether you have a good CREDIT standing."
3. make payment	124. Sally: "So Mr. Moto receives his money for the components from the SISTER BANK bank in JAPAN." ▲

6. credit	Turn back to page 15 and continue with frame 77.
2. will not	Turn to page 15 and continue with frame 93. ⬢
8. credit	Turn to page 15 and continue with frame 109.
4. correspondent (or sister) Japan	Turn to page 15 and continue with frame 125. ▲

[redacted]

BILL'S NAPKIN


ME
BUYER-IMPORTER IN DETROIT
① PLACES ORDER WITH
MR. MOTTO JAPANESE SELLER-EXPORTER IN TOKYO
② MR. MOTO SAYS O.K. IF PAYMENT IS MADE THRU A COMMERCIAL LETTER OF CREDIT
③ APPLIES FOR COMMERCIAL LETTER OF CREDIT
MR. BANKER
④ CHECKS TO SEE IF BILL IS A GOOD CREDIT RISK.
⑤ INFORMS JAPANESE BANK THAT C.L. OF C. IS ESTABLISHED
BANK OF JAPAN
⑥ ADVISES MR MOTTO THAT C.L. OF C. IS ESTABLISHED.
DETROIT BANK CALLED BUYER'S, IMPORTER'S, OPENING, ISSUING, NEGOTIATING, "SISTER" BANK USED BY BILL YOUNG
CALLED SELLER'S, CONFIRMING, "SISTER", ADVISING, NOTIFYING EXPORTER'S, OR CORRESPONDENT BANK USED BY MR. MOTO


SALLY'S NAPKIN
ME
7
SHIPS COMPONENTS
BUYER-IMPORTER IN DETROIT
MR. MOTTO SELLER-EXPORTER IN TOKYO
8
TAKES SHIPPING DOCUMENTS
12
PAYS FOR COMPONENTS AFTER RECEIVING THEM
9
MAKES PAYMENT
10
SENDS DOCUMENTS
MY BANK
BANK
BANK OF JAPAN
11
MAKES PAYMENT

BANK OF JAPAN

A.

A COMMERCIAL LETTER OF CREDIT

B.

Foreign Department
Our Advice No. 273

January 20, 1963

(Mention this advice number and date on all drafts and commissions)

C.

T. M. Moto and Company, Inc.
5283 Hayashi Square
Tokyo, Japan

E.

Gentlemen:

D.

We are instructed by the Bank of Detroit, Detroit, Michigan, U.S.A., in their CABLE of January 19, 1963 to advise you that they have opened their irrevocable letter of credit no. 2596 for a sum or sums not exceeding a total of THREE THOUSAND DOLLARS ($3,000) U. S. CURRENCY - For account of WILLIAM YOUNG, DETROIT, MICHIGAN, U. S. A. available by your drafts on us at SIGHT accompanied by

F.

G.

Commercial invoice in duplicate

Consular invoice

Marine and war risk insurance certificate for CIF invoice value plus 10% including W. P. A., marine extension clause, and coverage against theft, pilferage, and non-delivery

"On board" bills of lading drawn to the order of the BANK OF DETROIT, marked "Freight Prepaid"

Evidencing shipment of eight (8) #7184 tweeters, sixteen (16) woofers, and twenty-four (24) speakers from Japan to Detroit. Partial shipment not permitted.

H.

All drafts, with documents as specified, must be presented at this office not later than March 31, 1963.

I.

Unless otherwise expressly stated this advice is subject to the uniform customs and practice for commercial documentary credits fixed by the seventh congress of the International Chamber of Commerce and certain guiding provisions.

The above mentioned correspondent engages with you that all drafts drawn under and in compliance with the terms of this advice will be duly honored on presentation.

J.

We hereby confirm the above credit and undertake that all drafts drawn and presented as above specified will be duly honored by us.

Yours very truly,

________________________ (authorized signature)

APPENDIX C

APPENDIX D

Print Name________________________________ Date of Birth________________
(month - day - year)

HIGH SCHOOL OF COMMERCE
DETROIT, MICHIGAN

For the items below, circle the letter in front of the response which completes most accurately the statement. In the following example the letter "a" is circled because "Detroit" best completes the statement.

Example: The largest city in Michigan is

[✓ a.] Detroit.
b. Flint.
c. Battle Creek.
d. Grand Rapids.

1. When the Acme Motor Company of Detroit, Michigan, sells and ships automobiles to a distributor in another country, Acme is a/an

   a. importer.
   b. exporter.
   c. negotiator.
   d. opener.

2. When Acme sells to a foreign firm, Acme wants to receive payment for its automobiles. Acme is best assured of receiving payment by

   a. a commercial letter of credit.
   b. a confirmed irrevocable commercial letter of credit.
   c. an irrevocable commercial letter of credit.
   d. a revocable commercial letter of credit.

3. Assume that Anderson and Company of London, England, buys from Acme in Detroit. Anderson arranges for financing through

   a. the London Better Business Bureau.
   b. Anderson's bank in London.
   c. the British Chamber of Commerce.
   d. Acme's bank in Detroit.

4. Anderson and Company of London buys from Acme in Detroit. For maximum assurance of payment in such transactions, Acme may demand

   a. a revocable commercial letter of credit.
   b. an irrevocable commercial letter of credit.
   c. a cashier's check.
   d. a promissory note.

5. In foreign trade, a foreign bank deals with a domestic bank which it calls a

   a. State bank.
   b. National bank.
   c. "Sister" bank.
   d. Savings and Loan Association.

6. In selling automobiles to Anderson and Company of London, the Acme Motor Company in Detroit assumes the least risk in receiving payment by accepting

   a. a promissory note.
   b. a revocable commercial letter of credit.
   c. a confirmed irrevocable commercial letter of credit.
   d. a company check.

7. As the Acme Motor Company orders machines from another country and uses these machines in manufacturing automobiles, Acme is a/an

   a. importer.
   b. exporter.
   c. negotiator.
   d. opener.

8. A correspondent bank is the same as

   a. a National bank.
   b. a State bank.
   c. a "Sister" bank.
   d. a Savings and Loan Association.

9. If letter of credit financing is used, a seller in the United States receives payment for goods shipped to a buyer in another country directly from

   a. the buyer.
   b. the buyer's bank.
   c. the seller's bank.
   d. the Import-Export Bank.

10. An irrevocable commercial letter of credit is different from a revocable commercial letter of credit in that

    a. the buyer's bank has added its "promise to pay" to the document.
    b. the seller cannot revoke the offer made by the buyer.
    c. the seller's bank has added its "promise to pay" to the document.
    d. it is approved by the Import-Export Bank.

11. A correspondent bank in the seller's country is also referred to as

    a. the importer's bank.
    b. the Federal Reserve Bank.
    c. the Import-Export Bank.
    d. the advising bank.

12. Who applies for commercial letter of credit financing?

    a. the exporter.
    b. the importer.
    c. the exporter's bank.
    d. the importer's bank.

13. The kind of letter of credit that provides the most assurance has three "promises to pay." Which one of the following is not included in these three promises?

    a. the importer.
    b. the importer's bank.
    c. the exporter.
    d. the exporter's bank.

14. If the seller's bank receives an irrevocable commercial letter of credit, it may

    a. negotiate an irrevocable commercial letter of credit.
    b. confirm the irrevocable commercial letter of credit.
    c. open a revocable commercial letter of credit.
    d. initiate a revocable commercial letter of credit.

15. The most desirable commercial letter of credit is the

    a. revocable commercial letter of credit.
    b. irrevocable commercial letter of credit.
    c. confirmed revocable commercial letter of credit.
    d. confirmed irrevocable commercial letter of credit.

16. When the seller's bank notifies the seller that a foreign bank has issued a commercial letter of credit, the seller's bank is best referred to as the

    a. "sister" bank.
    b. advising bank.
    c. correspondent bank.
    d. Federal Reserve Bank.

17. Which one of the following statements best describes the commercial letter of credit? A commercial letter of credit is a document

    a. issued by the importer's bank to the exporter, telling the exporter what terms he must follow to receive payment.
    b. issued by the exporter's bank to the importer, telling the importer what terms he must follow to receive payment.
    c. which gives the credit standing of the importer.
    d. which lets the importer know that the goods he receives are guaranteed.

18. W. P. A., as it relates to letter of credit financing, means

    a. Works Progress Administration.
    b. With Particular Average.
    c. Waiver of Preliminary Assurance.
    d. With Personal Assurance.

19. CIF, as it relates to letter of credit financing, means

    a. Current Invoice Financing.
    b. Commercial Importer Financing.
    c. Consumers' Insurance Fund.
    d. Cost, Insurance, and Freight.

20. Pilferage is a synonym of

    a. bribery.
    b. default.
    c. theft.
    d. virtue.

21. A word that means almost the same as another word is known as

    a. an antonym.
    b. a synonym.
    c. a homonym.
    d. none of these.

22. The antonym of "prefix" is

    a. affix.
    b. suffix.
    c. synonym.
    d. homonym.

23. The root of the word "irrevocable" is

    a. ir
    b. re
    c. voc
    d. able

24. The suffix of the word "irrevocable" is

    a. ir
    b. re
    c. voc
    d. able

25. The prefix of the word "confirmation" is

    a. con
    b. firm
    c. tion
    d. none of these

TIME: ________

APPENDIX E

Print Name ______________________________ Date of Birth ______________________
(month - day - year)

HIGH SCHOOL OF COMMERCE
DETROIT, MICHIGAN

Preference Check Sheet

There are no right or wrong answers to the following questions. The questions are asked to show your preference about the way you learn. In the example below, you are asked if you prefer summer months over winter months. If you prefer summer months over winter monthgs, circle "Yes." If you have no preference, or you are uncertain, circle "Uncertain." If you don't prefer summer months over winter months, circle "No." Be sure to circle one answer for each question.

	Circle your preference		
Example: Do you prefer summer months over winter months?	Yes	Uncertain	No
1. Do you prefer Lesson I over Lesson II in the lessons you studied?	Yes	Uncertain	No
2. Do you prefer regular textbook study over the kind of lessons you studied?	Yes	Uncertain	No
3. Do you prefer regular classroom teaching over the lessons you studied?	Yes	Uncertain	No
4. Do you generally look up unfamiliar words and phrases?	Yes	Uncertain	No
5. Do you feel that the lessons you studied caused you to think?	Yes	Uncertain	No
6. Did you find the lessons you studied boring?	Yes	Uncertain	No
7. Do you think that the lessons you studied offered enough explanation of what you were supposed to learn?	Yes	Uncertain	No
8. Did the lessons you studied provide you with an efficient way to learn?	Yes	Uncertain	No
9. Do you frequently use a dictionary to look up unfamiliar words and phrases?	Yes	Uncertain	No
10. Does an unfamiliar word or phrase make you want to find its meaning?	Yes	Uncertain	No

11. Do you now understand how to use a Commercial Letter of Credit? Yes Uncertain No

12. Did you like the program better than regular classroom instruction? Yes Uncertain No

13. Is it too much trouble to use a dictionary to look up new words? Yes Uncertain No

14. Do you use a dictionary to find roots of words? Yes Uncertain No

15. Could you explain the use of a Commercial Letter of Credit to a friend? Yes Uncertain No

16. Do you like to study by yourself? Yes Uncertain No

17. Do you think that the lessons placed the responsibility on you? Yes Uncertain No

18. Does knowing how to analyze the prefix and suffix of an unfamiliar word help you learn it? Yes Uncertain No

19. Do you get a better understanding of unfamiliar words and phrases when you are required to use them frequently? Yes Uncertain No

20. Do you prefer to get a better understanding of unfamiliar words and phrases by asking others rather than by using the dictionary? Yes Uncertain No

21. Does writing an unfamiliar word help you to remember it? Yes Uncertain No

22. Do you feel that copying and analyzing an unfamiliar word will help you remember it? Yes Uncertain No

23. Does knowing a synonym help you understand an unfamiliar word? Yes Uncertain No

24. Do you feel confident in your ability to find the meanings of unfamiliar words and phrases? Yes Uncertain No

25. Do you use your knowledge of a prefix or suffix of an unfamiliar word to help you determine its meaning? Yes Uncertain No

APPENDIX F

Sponsor, Principal Investigators, and Cooperating Agencies

Sponsoring Agency

Board of Control for Vocational Education, Department of Public Instruction, Lansing, provided out-of-pocket funds of approximately $2,700. Through released time and overhead costs, The University of Michigan provided funds:

Director (released time)	$ 800.
Research Assistant	1,100.
Overhead (55% of direct salaries)	1,840.
Total University Contributions	$3,740.

Principal Investigators

Frank W. Lanham, Director and Associate Professor of Education
John Lambert, Programmer and Research Assistant, Richmond, Virginia, Professional Institute
Patricia Patsloff, Programmer, O. L. Smith Junior High School, Dearborn
Robert Van Dyke, Research Assistant, Graduate Student, The University of Michigan
Edwin Weber, Programmer, formerly from Roosevelt High School, Wyandotte, now Graduate Student, The University of Michigan

Cooperating Agencies

Research Department, Detroit Public Schools
Director and Staff, Business Education Section of the Division of Instruction, Detroit Public Schools
Administration and Faculty, High School of Commerce, Detroit Public Schools
Cooperative Distributive and Office Students, High School of Commerce
Office of Research Services, School of Education, The University of of Michigan
Computer Center, The University of Michigan
Office of Research Administration, The University of Michigan
University School of The University of Michigan (for preliminary testing of programs).

APPENDIX G

PERCENTS OF CORRECT RESPONSES AND DIFFERENCES IN CORRECT RESPONSES BETWEEN UPPER AND LOWER THIRDS OF THE GROUP FOR EACH CRITERION ACHIEVEMENT TEST ADMINISTRATION

Pre-Test				Post-Test				Retention Test			
Question Number	Upper Third	Lower Third	Difference	Question Number	Upper Third	Lower Third	Difference	Question Number	Upper Third	Lower Third	Difference
1	94	94	0	1	98	88	10	1	100	95	5
2	72	25	47	2	79	33	46	2	82	32	50
3	80	41	39	3	95	72	23	3	98	69	29
4	26	5	21	4	98	70	28	4	98	69	29
5	63	17	46	5	100	85	15	5	100	86	14
6	35	11	24	6	100	80	20	6	98	63	35
7	95	70	25	7	97	83	14	7	98	80	18
8	77	23	54	8	100	88	12	8	100	82	18
9	13	10	3	9	69	11	58	9	55	23	32
10	38	14	24	10	66	44	22	10	67	44	23
11	33	7	26	11	95	67	28	11	97	57	40
12	64	36	28	12	94	48	46	12	91	33	58
13	42	22	20	13	86	32	54	13	85	22	63
14	82	45	37	14	98	60	38	14	100	73	27
15	79	32	47	15	95	45	50	15	94	55	39
16	17	10	7	16	67	23	44	16	76	27	49
17	36	20	16	17	79	27	52	17	80	19	61
18	0	0	0	18	30	10	20	18	11	2	9
19	27	14	13	19	36	20	16	19	33	16	17
20	57	20	37	20	70	23	47	20	72	20	52
21	86	69	17	21	91	75	16	21	94	79	15
22	92	73	19	22	97	83	14	22	100	86	14
23	64	44	20	23	88	51	37	23	86	60	26
24	92	72	20	24	97	77	20	24	97	70	27
25	94	75	19	25	94	85	9	25	92	77	15